

**MINUTES OF THE REGULAR MEETING OF THE GRANTSVILLE CITY
COUNCIL HELD WEDNESDAY, NOVEMBER 20, 2002.**

Mayor and Council Present: Mayor Byron Anderson; Council Members: Craig Anderson, James Christensen, and Paul Rupp.

Appointed officers and employees present: Wendy Palmer, City Recorder, Attorney Ron Elton, and Public Works Director Joel Kertamus.

Citizens and Guests: Craig Neeley, Aqua Engineering, Travis Warr, Mary Ruth Hammond, Max Davis, Danny Barlow & Corey Reynolds with Pinnock, Robins, Posey & Richins CPA. Alan Johnson, David Church with Utah Local Government Insurance Trust.

CONSIDERATION OF JOHN LAING HOMES RECOVERY RIGHT

AGREEMENT: Attorney David Church informed the Council that this proposal is strictly John Laing Homes issue and not the City's. Mr. Church informed the Council that he did not have concerns with the recovery rights request in principal. His only concern was that Grantsville City has an engineer review this document and determine each point that they are claiming a recovery right for. Mr. Church stated that he would recommend to the Council that they not consider page 3-section 1- Reservation of capacity for JLH. If they are reserving the capacity then there is not a recovery right. In addition, in subsection b of section 1, Grantsville City should not allow one developer to get permission from another developer in order to develop. It was discussed that recovery rights should be collected at the time of a building permit. JLH is proposing that all recovery rights be paid at the time of final plat approval. Craig Anderson reminded the Council that there is one development already approved in this area and we would be unable to collect the fees up front. We have another development on the agenda tonight to be approved that would be effected by this recovery right agreement. Therefore, it seems that the best way to handle the recovery right charges would be through the building permit process. Craig Neeley brought up the conflict of the amount of interest in the JLH agreement. This amount is in conflict with the city's ordinance. Attorney Church suggested that he the Mayor, Attorney Elton, Engineer Neeley work together on a counter proposal. Each member of the Council is invited to forward their thoughts and concerns to these people in order that a comprehensive agreement can be drafted. Attorney Church informed the Mayor and Council that this court case has been on the dockets for quite sometime and the Judge is asking JLH to either press on with the case or drop it.

PINNOCK, ROBBINS, POSEY & RICHINS- REPORT ON 2002 AUDIT: Danny Barlow and Corey Reynolds addressed the Mayor and Council concerning the Grantsville City 2002 fiscal year audit. Corey Reynolds the audit supervisor complimented the staff in getting the audit information ready 5 months earlier that last year. The Audit this year took much less time and effort than in the years past. This is due to the hard work of the financial staff. Corey informed the Mayor and Council that this audit does not look at every single transaction that the city creates throughout the year. The audit takes a sample study of each area and then tests the accuracy of those entries. During the audit, we found no material weaknesses in the internal controls of the city. There were no changes in accounting procedures or policies. This is what we like to see - consistency. We found no irregular or inappropriate entries to report. Your staff is extremely helpful and pleasant to work with. Grantsville City is one of our favorite places to be.

Danny Barlow went through the audit report booklet and summarized the status of the city as being in sound financial condition. Danny stated that the new GASB 34 would change some of the rules we adhere to today. The property taxes will be considered due at the beginning of the year when the tax is assessed. This will create a receivable and then the taxes posted against that account. Currently we only post when the taxes are collected.

Danny and Corey recommended that the financial staff get additional training to prepare the books to comply with GASB 34. It is recommended that the staff get the books ready to go this year so that beginning July 2003 the transition will be smooth. Danny reported that the city's cash balances are up from last year. Impact fee collections are down as to be expected due to the building slow down.

Corey complimented the city on their ability to work their way out of financial problems in the past by implementing franchise taxes that seemed to help smooth out the month to month cash flow. Corey suggested that the city review the water and sewer rates. These rates are among the lowest in the state. It has been a long time since the rates have been evaluated. Corey tried to explain the 18% over fund balance violation of State Of Utah Accounting Standards. Corey likened the fix to explaining to the taxpayers where all of the proceeds of sale of all city property would be distributed if the city had to liquidate all assets. Corey stated that the balance is an equity issue not actual dollars. The equity has mostly come from contributed capital from subdivisions. Attorney Elton asked Recorder Palmer to have the auditors prepare the journal entry for the transfer to bring the city into compliance with the 18% rule and fax the law for his review. Corey informed the Mayor and Council that next year the independent auditor rule shall be in full effect. Corey continued to explain that in the past auditor could make limited adjusting entries for their clients to be able to complete the audit. Beginning with the 2003 audit, they will not be able to perform any bookkeeping for the city. The auditors cannot audit their own work. They can advise the financial staff in advance of the audit but if they come to do the audit and they run into adjusting entries then they will have to issue a qualified opinion or come back when correction are complete. Corey and Danny complimented the staff and the city for the progress in this area stated their confidence that the staff can go the next step with ease.

Craig made the motion to accept the 2002 Audit from Pinnock, Robins, Posey & Richins. James seconded the motion. All voted in favor, motion carried.

MAX DAVIS-SPEEDING CONCERNS ALONG 800 EAST: Mr. Davis addressed the Mayor and Council asking for attention to a speeding problem on 800 East Street. Mr. Davis stated that due to SR112 entering onto 800 East many motorists do not slow their speed from the 50 mph to 30 mph. Mr. Davis stated that he got no help from the previous Mayor. Council Member Linares corrected Mr. Davis stating that he had set in a meeting when the Chief of Police reported their findings from a study they had performed on this street. Justin stated that the Chief of Police reported to the Council that 800 East did not have more of a speeding problem than any other street in town. Mr. Davis stated that was true, he couldn't believe that every time a police officer would park in his driveway to run radar on 800 East Street the usual traffic did not seem to pass by. Mr. Davis asked for more assistance in curbing the speeding problem by suggesting that the road dead-end or put in a speed bump. There was a concern that the city would be violating their own ordinances by putting in a cul-de-sac on a street that is over 1000 feet long. Craig Neeley and Craig Anderson discussed the possibility of a temporary speed bump to see if that is effective. Craig Neeley suggested a speed wagon that displays the speed of a vehicle on site. It was determined to look into the cost of correcting the intersections and the cost of the speed bump and speed wagons and report back.

CONSIDERATION OF ORDINANCE SETTING MINIMUM WATER LINE

SIZES IN GRANTSVILLE CITY: Joel informed the Mayor and Council that the State of Utah's minimum requirement for a waterline to connect to a fire hydrant is 8 inches. Joel stated that he feels that we as a city should not allow private water lines to run within our rights of way. This leads to parallel water lines with the city right of way. We have a situation on Willow Street that has a 2-inch water line feeding two homes. One of the conditions to these homes was that when Watt Homes installed the main lines they would have to connect their homes to the main lines. When time came for them to connect, they were not forced to do so. Now the city has a 2" water line running parallel to the 12-inch main line. The maintenance crew was installing the Willow Elementary school crossing lights and broke that private line which created extra expense in repairing the water line. It was determined that the ordinance needs to restrict private waterlines within city rights-of-way. Attorney Elton will prepare the ordinance for the next agenda.

CONSIDERATION OF FINAL PLAT FOR ALAN JOHNSON-SOUTH PASTURE

DEVELOPMENT: Craig made the motion to approve the final plat for South Pasture Subdivision and authorize the Mayor to sign the final plat with the following conditions:

- 1- Assign sufficient irrigation water for the proper lot numbers in the subdivision.
- 2- Receive approval for easement for lot 4 from Craig Neeley, Aqua Engineering
- 3- Receive approval for indoor water source deed transferring water rights from Attorney John Leo Davis.
- 4- Bond for road improvement in front of lot 4. Improvement must be complete within 3 years. If lot 4 is sold before the 3 years road improvement must be complete before occupancy. The whole street must be improved and recovery right could be applied for the ½ that would be the responsibility of JL Homes. Until the asphalt is laid, the street may be a 20' hard packed gravel access.
- 5- Public Works Director and Mayor approve offsite improvement bond. Mayor is authorized to sign following approval.
- 6- Mayor is authorized to sing final plat once all of the above conditions have been accomplished successfully.
- 7- Subdivision must comply with International Fire code and signed off by Chief Niel Critchlow as to the requirements.

James seconded the motion. All voted in favor, motion carried.

CONSIDERATION OF NEW BUSINESS LICENSE: James made the motion to approve the business license in compliance with the Conditional Use Permit for Travis Warr at 849 E. Main. The business will consist of mobile welding & maintenance truck. Craig seconded the motion. All voted in favor, motion carried.

APPROVAL OF BILLS: Justin made the motion to pay the bills as presented. Paul seconded the motion. All voted in favor, motion carredid.

OTHER BUSINESS: Mayor Anderson informed the Council that Kyle Matthews has agreed to serve on the Planning Commission and asked Recorder Palmer to place this item on the next agenda. Mayor informed the Council that Tooele County Commissioners would not consider paying for the secondary water usage at the Complex. The County Commissioners have set Tuesday November 26th at 1:00 p.m. to meet with the Council and work out a final agreement.

Craig handed out his latest checklist that the building inspectors will be using for inspection criteria for pre-placement inspections as well as the final placement criteria. Craig asked this item to be on the next agenda for setting the permit fees.

Mayor mentioned that he had been talking with the Stake President of the Church of Jesus Christ of Latter Day Saints, who was concerned about the amount of families that will need help this year providing Christmas for their families. Mayor suggested that he wanted to talk with the employees for next year to see if they would give up their Christmas Gift Certificates to provide support for families. Justin suggested that if the city wanted to help support needy families we should budget for that expense. Justin stated that he felt that even some of the city's employees would qualify for the support and taking the \$25.00 gift certificate away would hurt our employees.

James informed the Council that the Main Street project is planning to work with the new owners of the Blue Bird and is planning to award some grant money for it. James stated that the committee needs some criteria or a resolution or policy to be able to distribute money fairly. This to be on the next agenda.

ADJOURN: Justin made the motion to adjourn at 10:15 p.m. Craig seconded the motion. All voted in favor, motion carried.

Wendy Palmer, City Recorder

Byron Anderson